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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,336	03/13/2001	Kannan Srinivasan	696.003	1923

35195 7590 10/26/2009  
FERENCE & ASSOCIATES LLC  
409 BROAD STREET  
PITTSBURGH, PA 15143

EXAMINER
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JANVIER, JEAN D

ART UNIT	PAPER NUMBER
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3688

MAIL DATE	DELIVERY MODE
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10/26/2009

PAPER

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/805,336  
Filing Date: March 13, 2001  
Appellant(s): SRINIVASAN ET AL.

\_\_\_\_\_  
Stanley D. Ference III  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the Appeal Brief, filed on July 06, 2009, appealing from the Final Office Action mailed on July 01, 2008.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

5,918,014	Robinson	6-1999
7,031,932	Lipsky	4-2006
5,848,396	Gerace	12-1998
WO 98/34189	Roth	8-1998

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

**35 USC 101 Rejection**

**Claims 1-21 are rejected under 35 U.S.C. 101 as drawn to a non-statutory subject**

**matter**. The claims (or at least independent claim 1) are related to mental processes, which is not patentable. Indeed, the claims (e.g. claim 1) recite a (mental) process, which is not tied to another statutory class or does not change or switch statutory class (such as a particular apparatus) or does not transform the underlying subject matter (such as an article or materials) to a different state or thing. Here, “Internet website” represents a nominal recitation. Furthermore, the promotions or advertisements, according to the claim language, are not even run or displayed to the visitors on the web site, which could have implied a switch in statutory class. See MPEP §2106.IV.B: *Determine Whether the Claimed Invention Falls Within An Enumerated Statutory Category*. See also the following U.S. Supreme Court cases: *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); and *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

**35 USC 103 Rejection**

**Claims 1-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Robinson, US Patent 5, 918, 014.**

(Here, the terms advertisement and promotion are used interchangeably as understood in the art)

As per claims 1-21, Robinson discloses, in one embodiment, that a new ad is displayed randomly or on a fixed schedule to a certain number (percentage) of users or visitors from a pool or a set/number of visitors visiting a website predefined by an advertiser (receiving configuration data from an advertiser indicating that the advertiser wants to target the visitors visiting a particular website based on some criteria and random sampling or randomly selecting a subset or a certain number of visitors, out of the set of visitors visiting the website, to be exposed to the advertiser's advertisement or promotions or experiments and to thereby determine the optimal advertisement or promotion or experiment based on the certain number or randomly selected visitors' responses). During this "training period" for the new ad, **a certain percentage of the members of the subject's community will click on the new ad.** If this is an unusually high proportion (a percentage better or a threshold number), then there is a relatively high likelihood that the ad will be of relatively high interest to the subject or to one or more similar visitors (the ad will generate more click-throughs from one or more other visitors with similar profile). Here, statistical techniques are used to determine a probability, associated with a fixed confidence level, with which one can assume that a randomly-chosen member of the subject's community (or one or more other users) will tend to click on the ad; this probability is used as the measure of similarity. Once again, a new ad is displayed to certain visitors of the community of surfers (sampling visitors) and the system determines whether a high or low proportion of visitors have indeed read the ad and have chosen to view further information associated with the ad (weighing process or click-through). If a high proportion has chosen to view further information related to this ad, then the ad will be presented to similar users having the same profile as the sampled visitors who had originally interacted

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with the ad (Col. 3: 3-28; col. 3: 61 to col. 4: 14; See claims 1-3, 8 and 17 of the current reference).

Furthermore, for each ad from a plurality of new ads or promotions submitted by an advertiser, there will have to be a period when ACF (Automated Collaborative Filtering) techniques are not the sole determinant of which (optimal) ad or promotion is displayed. Instead, such ads or promotions will be displayed either according to a fixed schedule or randomly. Moreover, a particular embodiment of the present system could also choose to continually have a probability that the promotion(s) or ad(s) shown to a user(s) at any given time might be randomly chosen rather than selected by ACF techniques (here, the ads or promotions from a group or a plurality of ads or promotions (or from a campaign or experiment) are selected from a plurality of ads or promotions and displayed to users or visitors (at random) when they visit particular web sites predetermined or chosen by an advertiser or merchant (or based on the merchant's configuration data)). There is a tradeoff when the ads or promotions are being randomly displayed or presented to the users (chosen at random). Indeed, the more ads or promotions are randomly presented, a) the more data the system will be able to collect for the ACF engine, thereby increasing the accuracy of the engine; and b) the more frequently users will be exposed to random ads or promotions that are not relevant to their interests (col. 19: 6-17). The desired proportion of displaying ads or promotions according to the ACF output relative to displaying ads or promotions randomly or according to a fixed schedule can be determined by measuring such factors as overall system-wide number of responses to ads or promotions in a given period of time (which should ideally be high) and polling users on their satisfaction with the system. A

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mathematical analysis could also be used in predicting the best proportion (col. 19: 18-26). **Here, the ACF engine, using the data compiled from the randomly displayed ads or promotions, will be able to determine one or more ads or promotions (one or more optimal ads or promotions) having received an unusually high proportion of click-throughs by the users (originally chosen at random), wherein the displayed ads or promotions are not based on the users' interests, but rather on the display web sites pre-selected by an advertiser or merchant (or based on the merchant's configuration data) (Col. 19: 6-17; col. 5: 10 to col. 6: 42; col. 19: 18-33).**

Robinson further discloses, in one embodiment, that a new ad is displayed randomly or on a fixed schedule to a certain number of users or visitors (sampling visitors). During this "training period" for the new ad, **a certain percentage of the members of the subject's community will click on the new ad.** If this is an unusually high proportion (a percentage better or a threshold number), then there is a relatively high likelihood that the ad will be of relatively high interest to the subject or to one or more similar visitors (the ad will generate more click-throughs from one or more other visitors with similar profile). Here, statistical techniques are used to determine a probability, associated with a fixed confidence level, with which one can assume that a randomly-chosen member of the subject's community (or one or more other users) will tend to click on the ad; this probability is used as the measure of similarity. Once again, a new ad is displayed to certain visitors of the community of surfers (sampling visitors) and the system determines whether a high or low proportion of visitors have indeed read the ad and have chosen to view further information associated with the ad (weighing process or click-through). If a high proportion has chosen to view further information related to this ad, then the ad will be

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presented to similar users having the same profile as the sampled visitors who had originally interacted with the ad (Col. 3: 3-28; col. 3: 61 to col. 4: 14; See claims 1-3, 8 and 17 of the current reference).

Additionally, it is understood that once a user's or subject's community or associated group is known, then targeted ads or promotions scheduled to be displayed to the user or subject are determined based on a correlation between the group's profile and the user's profile (according to the advertiser's or merchant's specifications or criteria or received configuration data). Subsequently, a web site, where the ads or promotions will be presented, related to these targeted ads or promotions is updated accordingly to reflect the generation of these targeted ads or promotions such that the ads or promotions can be displayed to the user or subject in a future visit at the web site (associated with at least one generated ad) contingent upon the advertiser's specifications.

In general, Robinson discloses a stem for displaying a targeted (optimal) advertisement or promotion from an advertiser to at least one second user (subject) if a plurality of first users from the subject's community or if an unusually high proportion of members from the subject's community (high proportion of the first users), having similar profile as the subject or second user, have indeed clicked on the same advertisement or promotion. Here, the advertiser has provided one or more advertisement or promotions along with display criteria **(merchant's configuration data, which assist in communication with the Internet merchant or help deliver the merchant's advertisement or promotions to the Internet visitors)**, such as demographics, that the users must have before the advertisement or promotions can be presented to them. The system is configured to at least display one targeted advertisement or promotion to



a plurality of first users (randomly selected) matching the merchant's received configuration data or advertiser's display criteria. Subsequent to displaying a plurality of advertisement or promotions (multiple experiments) to a plurality of different groups of first users with different profiles matching the advertisement or promotions display criteria during a training period or test period (randomly sampling visitors in accordance with the merchant's configuration data), training or test data are collected and used to determine which advertisement or promotion(s) among the plurality of displayed advertisement or promotions receives an unusually high proportion of clicks from a plurality of first users (determining an optimal advertisement or promotion from the multiple experiments or advertisement or promotions). And the advertisement or promotion receiving the highest number of clicks from a first plurality of users having a specific profile is qualified as the **optimal advertisement or promotion**. Thereafter, the **optimal advertisement or promotion is displayed to at least a second user having a similar profile as the first plurality of users viewing the (optimal) advertisement or promotion since** people who have shown a tendency for similar likes and dislikes in the past will show a tendency for such similarities in the future

See fig. 1; Col. 1: 27 to col. 3: 46; col. 7: 47 to col. 8: 20; see claims 1-25 of the present reference.

In a further embodiment, a new ad(s) is randomly displayed to a certain number of users (random visitors) during a first period of time or training period. During this "training period" for the new ad, a certain percentage of the members of the subject's community will click on it. If this is an unusually high proportion, then there is a relatively high likelihood that the ad will be of relatively high interest to the subject (determining an optimal advertisement or promotion in

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accordance with the merchant's or advertiser's configuration data). Here, statistical techniques are used to determine a probability, associated with a fixed confidence level, with which we can assume that **a randomly-chosen member of the subject's community (will tend to click on the ad; this probability is used as the measure of similarity.** (Randomly chosen visitors are exposed to one or more new ads or promotions before an optimal advertisement or promotion or the ad with the highest click-through percentage is determined. See col. 3: 3-15).

**In short, in one embodiment, a new ad (from a group of ads or promotions or experiment) is displayed randomly or on a fixed schedule to a certain number of users (sample size). During this "training period" (timing data) for the new ad, a certain percentage of the members of the subject's community will click on the ad. If this is an unusually high proportion, then there is a relatively high likelihood that the ad will be of relatively high interest to the subject. In one embodiment, statistical techniques are used to determine a probability, associated with a fixed confidence level, with which we can assume a randomly-chosen member of the subject's community will tend to click on the ad. This probability is used as the measure of similarity (col. 3: 3-15).**

**Finally, it should further be noted here that the system does not take into consideration the user data or profile information related to the original certain number of users and it is after one or more ads or promotions from a plurality of ads or promotions (from an experiment or campaign) is displayed to the certain number of users (randomly chosen or selected) that the system considers the profile of the certain number of users to see if they have similar profile as a second user or subject (belonging to the subject's community) and if a high proportion of the certain number of users like at least one ad**

**from the randomly displayed ads or promotions or an unusually high proportion of the certain number of users have actually clicked on the new ad or the at least one ad, then there is a high probability that the subject or second user will be interested in the new ad or the at least one ad, from the ads or promotions randomly displayed during the training period, or the new ad or the at least one ad (optimal) ad, receiving an unusually high number of click-throughs, will be presented thereafter to the subject or second user (col. 3: 3-15; col. 19: 6-26).**

As per claims 1 and 18, although Robinson suggests a process for randomly selecting a sample size or a certain number of users or web site visitors, randomly chosen, that is to receive during a training period a plurality of random ads or promotions, from a group or experiment, or a process for receiving a target audience criteria such as demographics (Internet merchant or advertiser configuration data), **however, Robinson does not expressly mention that the advertiser's configuration data specify a sample size of users or visitors.**

However, it is well documented in the art that an advertiser (Internet merchant) will submit to an advertising medium one or more desired criteria or specifications (configuration data) used to target an audience or to display one or more advertisement or promotions. For instance, an interested advertiser may submit to an advertising medium, with respect to at least one ad, a list of one or more criteria, such as start-time and end-time, a specific number of users/visitors (sample size) that should see the ad, a related number of hits or number of click-throughs that should be met, et cetera, before the ad can be successful.

"Official Notice"

Therefore, it would have been obvious to an ordinary skilled artisan, at the time of the invention, to incorporate the above disclosure (“Official Notice”) into the system of Robinson so as to expressly receive from an advertiser, instead of letting the web site or advertising medium select a certain number of users or visitors (sample size), a sample size or target size of users or visitors, randomly selected from the site visitors, that should be exposed to the random ads or promotions during a training period, thereby giving more control or latitude to the advertiser to specify himself other configuration data such as a sample size of random visitors that should be exposed to the random ads or promotions during a training period in order to determine an optimal ad therefrom, while reducing the liability of the advertising medium or web site if the advertising campaign or experiment, comprising the random ads or promotions, is not successful for one reason or another or because the selected sample size was too small.

**Claims 1-21 are rejected under 35 USC 103(a) as being unpatentable over Lipsky, US Patent 7,031,932.**

As per claims 1-21, Lipsky discloses a facility for adjusting the execution of an advertising campaign in which advertising messages (experiments) are presented to users using a plurality of advertising alternatives. During a first time period, the facility presents advertising messages using each of the advertising alternatives in accordance with an initial allocation for each of the advertising alternatives. Also during the first time period, the facility tracks the performance of the advertising campaign with respect to each of the advertising alternatives. Based upon the tracking during the first time period, the facility attributes a performance score to each of the advertising alternatives for the first time period. The facility compares these scores, and, based upon the comparison, adjusts the allocations for the advertising alternatives so as to

increase one or more allocations for advertising alternatives, which compare favorably in the comparison, and so as to reduce one or more allocations for advertising alternatives comparing unfavorably in the comparison. The facility then, during a second time period, presents advertising messages using each of the advertising alternatives in accordance with the adjusted allocation for each of the advertising alternatives (See abstract).

In an exemplary embodiment, reallocating between cost packages may involve negotiating with the publisher or other seller of a higher-performing cost package to increase the volume of the higher-performing cost package, as well as negotiating with the publisher or other seller of a lower-performing cost package to cancel or decrease the volume of the lower-performing cost package. Reallocating between the placements of a cost package may involve negotiating with the publisher or other seller of the cost package to increase the volume of the higher-performing allocations of the cost package and decrease the volume of the lower-performing allocations of the cost package. **Reallocating between advertising messages presented in a placement may involve increasing the probability that higher performing advertising messages are served in response to an advertising message request for the placement and decreasing that probability for lower-performing advertising messages.**

After adjusting these allocations in accordance with the effectiveness scores, the facility continues the campaign using these new allocations, again maintaining performance statistics in order to later perform further reallocations. It is herein understood that once one or more high performing (optimal) ads are determined, the facility should provide and/or present (display) the high performing (optimal) ads to the advertiser or merchant related to the high performing or optimal ads (Col. 2: 62 to col. 3: 15).

In general, Lipsky discloses a system that displays ads (experiments) to users and monitors the ads performance by tracking the users' responses to the displayed ads and adjusting the ads variables or parameters (reallocating step) to increase the users' responses or the ads performance, thereby determining one or more higher-performing (optimal) ads that will be presented to users in the future.

Further, Lipsky discloses a method of and a system for, in a computing device, adjusting the execution of an advertising campaign for presenting advertising messages/experiments to a plurality of users or (random website visitors), the advertising campaign, having a plurality of advertising alternatives for presenting advertising messages/experiments, comprising: during a first time period, presenting advertising messages/experiments to users among the plurality of users using each of the advertising alternatives in accordance with an initial allocation for each of the advertising alternatives (presenting advertisement or promotions/experiments to a randomly selected subset of users from a number/plurality of users or website visitors who are to participate in the advertising campaign); tracking the performance of the advertising campaign with respect to each of the advertising alternatives (advertising messages) across the plurality of users; based upon the tracking during the first time period, attributing a performance score to each of the advertising alternatives for the first time period (measuring the effectiveness of each ad presented to the users by tracking the performance or the users' action...); comparing the scores attributed to the advertising alternatives for the first time period, wherein the comparison is performed using confidence intervals about the performance scores; based upon the comparison, adjusting the allocations for the advertising alternatives so as to increase one or more allocations for advertising alternatives comparing favorably in the comparison and so as to

reduce one or more allocations for advertising alternatives comparing unfavorably in the comparison (determining based on the above comparison, the optimal experiments/advertisement or promotions, which maximize the advertisers' return on investment or are more suitable to be displayed to the users (the rest of the users from the plurality of random users)); and during a second time period, presenting advertising messages to users among the plurality using each of the advertising alternatives in accordance with the adjusted allocation for each of the advertising alternatives (See claim 3 of the present reference; fig. 2).

Finally, Lipsky teaches a system for presenting advertising messages in a group of advertising messages to a plurality of random users (random website visitors), comprising: during an evaluation period, presenting the advertising messages to a randomly selected subset of users from the plurality of users/website visitors who are to participate in an advertising campaign; assessing the effectiveness of presenting each of the advertising messages or experiments during the evaluation period across the plurality of users (measuring the effectiveness of each presented advertisement or promotion or experiment); assigning presentation weights to the presented advertising messages of the group in accordance with their assessed effectiveness; and during a weighted presentation period, presenting to users among the plurality of users the advertising messages of the group with relative frequencies that are in accordance with their weights (determining one or more optimal advertisement or promotions/experiments based on the weighting...) (See claim 5 of the reference; figs. 3-5).

As per claims 1 and 18, although Lipsky suggests a process for displaying advertisements or promotions to a group of users or web site visitors, randomly chosen, however, Lipsky does not

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expressly mention that the advertiser's configuration data specify a sample size of random users or visitors.

However, it is well documented in the art that an advertiser (Internet merchant) will submit to an advertising medium one or more desired criteria or specifications (configuration data) used to target an audience or to display one or more advertisement or promotions. For instance, an interested advertiser may submit to an advertising medium, with respect to at least one ad, a list of one or more criteria, such as start-time and end-time, a specific number of users/visitors (sample size) that should see the ad, a related number of hits or number of click-throughs that should be met, et cetera, before the ad can be successful.

#### "Official Notice"

Therefore, it would have been obvious to an ordinary skilled artisan, at the time of the invention, to incorporate the above disclosure ("Official Notice") into the system of Lipsky so as to expressly receive from an advertiser, instead of letting the web site or advertising medium or facility select a certain number of users or visitors (sample size), a sample size or target size of users or visitors, randomly selected from the site visitors, that should be exposed to the ads or promotions during a first period of time, thereby giving more control or latitude to the advertiser to specify himself other configuration data such as a sample size of random visitors that should be exposed to the ads or promotions during at least the first period of time in order to determine one or more optimal ads or high performing promotions therefrom, while reducing the liability of the advertising medium/facility or web site if the advertising campaign or experiment, comprising the ads or promotions, is not successful for one reason or another or because the selected sample size was too small.



## **(10) Response to Argument**

### **101 Rejection**

“Appellants respectfully submit that the claimed invention clearly satisfies the machine-or-transformation test. The Examiner's position appears to be that: (1) "... at least independent claim 1 [is] related to mental processes, which is not patentable"; (2) "Internet website represents a nominal recitation..."; and (3) "the promotions... are not even run or displayed to visitors on the web site, **which could have implied a switch in statutory class.**" Office Action, pp. 6 (July 1, 2008) (internal quotation marks omitted).”

Further, “Applicants respectfully submit that the method is tied to a particular machine. Applicants respectfully submit that one could not "...present [] a plurality of varied promotions to different visitors within the sample according to the configuration data...", as required by claim 1, merely by using "mental processes" and without the use of a particular machine, because these are "visitors to the Internet website" (Claim 1).

“Moreover, the Examiner incorrectly ignores the language **"thereafter displaying the optimal promotion to the Internet Merchant"** (Claim 1). **The invention displays the optimal promotion to the Internet Merchant such that he or she can decide if it is appropriate for use. See Specification at pp. at pp. 21, lines 14-17 ([0101]). Thus, Applicants respectfully submit that the presenting and displaying steps tie the method to a particular machine and that the claimed invention is therefore drawn to statutory subject matter.**

Finally, “Applicants respectfully submit that claim 1 also satisfies the transformation branch of the inquiry. Claim 1 specifically requires, inter alia, "presenting a plurality of varied promotions to different visitors..., thereafter displaying the optimal promotion to the Internet

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merchant Claim 1).”

Contrary to the Appellant’s conclusion, the presenting and displaying steps, as featured in at least argued claim 1, does not tie the method to a “particular machine” nor do they transform the underlying subject matter. Hence, the claimed invention is not drawn to statutory subject matter. First, in “presenting a plurality of varied promotions to different visitors within the sample according to the configuration data”, as recited in at least argued claim 1, the act of “presenting” is not performed by a “particular machine”. In fact, even if the visitors are “Internet visitors”, the step of “presenting”, broadly interpreted, can be performed manually by printing the promotions on papers that are mailed to the visitors, including Internet visitors, via the Post-Office. Second, **“thereafter displaying the optimal promotion to the Internet Merchant” step**, although the claim (claim 1) recites the “Internet Merchant”, however, it cannot be concluded that the “displaying” step is performed via an interface or web page related to a web site coupled to a computer network or the Internet. In other words, the act of “displaying” is not tied to a particular machine and the “Internet Merchant” does not necessarily imply that the “displaying” takes place over the Internet. In this case, the “Internet Merchant” is at best a nominal recitation. Moreover, the steps of “presenting” and “displaying”, even if a particular machine were incorporated into the **“presenting” and “displaying” steps**, the claimed invention or argued claim 1 would not be statutory because the steps of “presenting” and “displaying” merely represent **insignificant extra-solution activity**.

In the future, Appellant can amend claims 1 and 18 for example, by incorporating a “particular machine” into the **“measuring”, “running” and “dynamically determining” steps or a combination thereof to overcome the rejection since they are considered significant**

**steps. However, the “receiving”, “presenting” and “displaying” steps are considered merely insignificant extra-solution activity and thus, they are not useful in overcoming the rejection even with the inclusion of a “particular machine”.**

Finally, the Examiner notes that the Appellant may show that a process claim satisfies §101 either by showing that Appellant’s claim is tied to a particular machine, or by showing that Appellant’s claim transforms an article (See Benson, 409 U.S. at 70). However, certain considerations are applicable to analysis under either branch. First, as illustrated by Benson, the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patent-eligibility (See Benson, 409 U.S. at 71-72). **Second, the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity** (See Flook, 437 U.S. at 590).

#### **Non-Statutory Double Patenting Rejection:**

The Examiner agrees that the Appellant’s Action, as herein discussed, renders the rejection moot or null and void. Thus, the Examiner herein drops the rejection.

#### **103 Rejection**

##### **35 U.S.C. §103(a) Rejection over Robinson**

##### **1.1 The Examiner's Findings Are Not Supported by substantial Evidence**

First, **the** Appellant submits, inter alia, that “The Examiner readily admits that neither Robinson nor Lipsky expressly discloses that the advertiser' s configuration data **specify a sample size of visitors and thus explicitly relies on "Official Notice". Office Action, pp. 17-**

**18; 22. The Examiner then appears to expand this "Official Notice" to encompass the**

**claimed "configuration data."** Id. Specifically, the Examiner asserts that "...it is well documented in the art that an advertiser (Internet merchant) will submit to an advertising medium one or more desired criteria or specifications (configuration data) used to target or to display one or more advertisement or promotions." Id (emphasis added)."

Contrary to the Appellant's understanding, the Examiner simply admits, concerning at least independent claims 1 and 18, that both Robinson and Lipsky do not teach, with respect to the configuration data, **a sample size (of visitors)**. Furthermore, although the Appellant respectfully traverses the "Official Notice taken with respect to the **sample size** and requests that the Examiner provide "documentary evidence" in support of the "Official Notice". However, the Examiner notes that the challenge to the "Official Notice" or the request for a written document is improper since the Appellant has herein failed to point out any deficiency in the said "Official Notice" based on the current state of the art or based on Appellant's own background. Because the Appellant does not like the "Official Notice" does not necessarily make it wrong or improper. Simply requesting documentary evidence in support of an "Official Notice", without pointing out any deficiency therein, is improper. Having said that, however, the Examiner herein cites in support of at least the **"sample size"** featured in the "Official Notice" one or more references. In fact, US Patent 5,848,396 to Gerace (already of record) discloses a system, wherein an advertiser or sponsor provides one or more ads to an advertising medium or web site to be **displayed to an appropriately selected users or a targeted demographic group of users** (broadly interpreted, **a sample "size"** of users visiting the web site), but not to the general population of users accessing the site (See abstract; col. 13: 9-19; col. 14: 66 to col. 15: 44; col. 18: 10-26; col. 20: 9-

18; figs. 5A-5D). WO 98/34189 to Roth also discloses a system, wherein an advertiser or bidder might specify, in a proposed advertising bid, that he wants to pay five cents for the first 1,000 users (**a sample size of visitors**), matching his display criteria, for the chance to present his advertising message to the users and four cents for the next 1,000 users (visitors) (See page 10: 11-22). Moreover, Eads, in US Patent 4,660, 422, discloses that a sample size is set to obtain estimates with desired performance (col. 5: 51-56).

Additionally, Appellant respectfully submits that “another finding of the Examiner is not supported by substantial evidence. Appellant respectfully submits that nowhere do Robinson and Lipsky teach or suggest “...**dynamically determining an optimal promotion using real-time analysis of the sampling data...**” (Claims 1 and 18).”

Here, Appellant respectfully notes that “the Examiner again inflects personal opinion, without any explicit citation or evidentiary support, into the Office Action, inter alia, at pp. 4-5. To wit, the Examiner asserts that:”

**“...the notion that the optimal experiment is determined in real-time appears to be more complicated than the Applicant may have anticipated. In practice, collecting responses to displayed ads from a sample of 6,000.00-10,000.00 [sic] visitors, for example, to thereby determine an optimal promotion/experiment/ad may take minutes, hours or even days.”**

Contrary to the Appellant’s contention, the latter bold portion simply represents the Examiner’s understanding of the argued limitation if the claimed invention were to be implemented by an ordinary artisan and thus, no written document is necessary here. Moreover, it appears that whenever the term “real-time” is used in a claimed invention, the Applicant means to refer to “substantially real-time”.

In addition, "...dynamically determining an optimal promotion using real-time analysis of the sampling data..." is equivalent to --...dynamically determining an optimal promotion using real-time analysis of the action of the "sample size" of visitors exposed to the promotions (i.e. determining an optimal promotion or advertisement based on the performance of promotions or advertisements that were displayed or presented to the "sample size" of visitors...)--.

Here, the Examiner admits that the prior art of record, namely Robinson and Lipsky, fails to expressly teach "sample size" of visitors as featured in the Office Action and the related arguments have been successfully addressed above. Further, both Robinson and Lipsky teach determining an optimal promotion or advertisement by analyzing the performance of a plurality of promotions or advertisements presented to users or visitors (**i.e. dynamically determining an optimal promotion or advertisement using real-time analysis of the performance of a plurality of promotions or advertisements presented to a plurality of users or visitors**). Indeed, **Robinson** teaches a system for displaying a plurality of advertisements (promotions or experiments) to a group of users during a training period (experimentation "period"), tracking the performance of the advertisements or promotions during the experimentation or training period or the number of click-throughs performed by the group of users on the advertisements or promotions, determining that at least one advertisement or promotion from the displayed or tested advertisements or promotions has received an unusually high proportion of click-throughs (**i.e. dynamically determining the optimal promotion** or advertisement, using real-time analysis, from the plurality of displayed or tested promotions or advertisements presented to the group of users or visitors) and thereafter presenting the (determined) at least one advertisement

or promotion (optimal promotion or advertisement) to another group of users or at least a second user or guest/visitor (based on the guest information). See **fig. 1; col. 3: 3-15; col. 3: 61 to col. 4: 6; col. 19: 6-26 and claims 2, 17 and 18 of Robinson's**. In general, Lipsky discloses a system that displays ads (experiments or promotions) to users and monitors the ads performance by tracking the users' responses to the displayed ads and adjusting the ads variables or parameters (reallocating step) to increase the users' responses or the ads performance, thereby determining one or more higher-performing (optimal) ads, from the displayed or tested ads or promotions, that will be presented to users in the future (dynamically determining a higher performing or optimal ad or promotion, using real-time analysis, based on the performance of one or more ads or promotions presented to users-Col. 2: 62 to col. 3: 15).

In short, contrary to the Appellant's finding, combining the "Official Notice" material with the Robinson's reference does indeed render the claimed invention obvious, as one of ordinary skills in the art would have concluded at the time of the invention.

### **1.2 Claim 7**

Appellant respectfully submits that Robinson does not teach or suggest a method for receiving configuration data **"wherein said configuration data includes a minimum basket size for receiving a promotion."** Applicants respectfully submit that Robinson contains no such teaching or suggestion because Robinson does not contemplate taking into consideration **what the user's basket size is prior to determining if the user should receive a promotion.**

However, the Examiner completely and respectfully disagrees with the Appellant's finding. Indeed, as discussed in a previous communications by the Appellant ("Promotions are assigned randomly to a sample group of visitors...See 01/23/08 37 CFR 1.111 reply), the visitors

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to the web site are unknown to the site (i.e. random visitors) and thus, no prior record or relevant information about the visitors, useful in targeting the visitors, is stored in a database. As best understood here, the configuration data (specifications) from the Internet merchant specifying the type of (random) visitors who can participate in the experiment should be limited to parameters such as **raw geographic variables** (i.e. state, city, zip code, area codes) and cannot be too specific since the visitors are not known to the website, as one having ordinary skills in the art would have concluded. Further, the visitors are not conducting any purchase transaction online or offline according to parent claim 1. The web site is made aware of the existence of or comes in contact with the visitors only when they visit the web site. According to claim 1, the web site is not selling anything. Thus, the notion of randomly choosing visitors to participate in the experiment or to receive a promotion based on a **minimum basket size (or a minimum value of a purchase) is premature**. In other words, **important intervening steps are missing from the argued claim (claim 7)**. It appears here that the argued claim (claim 7) is in contradiction with parent claim 1. Moreover, it appears that this is the first time the Appellant has put forth any arguments regarding the way claim 7 is rejected. Having said that, the claim is given a broad and reasonable interpretation. To this end, Robinson teaches that information (configuration data) used to present promotions or advertisements to (potential) users (guests) includes, inter alia, **choice of specific items purchased by the users, as well as the prices of those items (i.e. purchase history or basket size is used, as part of configuration data, to present promotions or advertisements to (potential) users or guests-Col. 2: 32-48 and claims 2, 17 and 18 of Robinson's)**.



### **1.3 Claim 8**

Appellant respectfully submits that “Robinson fails to teach or suggest ”... wherein the determining step comprises: **when the optimal promotion is determined to lie between two tested promotions**, the optimal promotion is allowed to lie between the two tested promotions, **wherein** an interpolating function is utilized to automatically determine the optimal promotion displayed to the Internet merchant.” Appellant respectfully submits that “Robinson does not teach or suggest the above quoted claim limitation because, inter alia, no **experimentation is being conducted so there are no "tested promotions", no optimal promotion is dynamically determined at all...**”

However, the Examiner completely and respectfully disagrees with the Appellant’s conclusion. First, the claim elements, as herein presented, constitute at best a matter of desires or non-functional and non-descriptive material. Indeed, the optimal promotion is, in most cases, the promotion that provides the best result or that triggers the largest responses from the visitors. Here, selecting the optimal promotion (advertisement) based on any other criteria, as featured in the claim (claim 8), is definitely a matter of choice or desires that may vary from one merchant to another. Second, as best understood, the “wherein clause”, recited in claim, represents an “Intended Use” recitation.

The above conclusion is well within the level of skills of an ordinary artisan. Moreover, it appears that this is the first time the Appellant has put forth any arguments regarding the way claim 8 is rejected. **To this end**, contrary to the Appellant’s conclusion, **Robinson** teaches a system for displaying a plurality of advertisements (promotions or experiments) to a group of users during a training period (experimentation “period”), tracking the performance of the

advertisements or promotions during the experimentation or training period or the number of click-throughs performed by the group of users on the advertisements or promotions, determining that at least one advertisement or promotion from the displayed or tested advertisements or promotions has received an unusually high proportion of click-throughs (i.e. dynamically determining the optimal promotion or advertisement from the plurality of displayed or tested promotions or advertisements) and thereafter presenting the (determined) at least one advertisement or promotion (optimal promotion or advertisement) to another group of users or at least a second user or guest/visitor (based on the guest information). **See fig. 1; col. 3: 3-15; col. 3: 61 to col. 4: 6; col. 19: 6-26 and claims 2, 17 and 18 of Robinson's.**

**Rejection under 35 U.S.C 103(a) over Lipsky**

**1. 1 The Examiner's Findings Are Not Supported by Substantial Evidence**

Here, the Examiner has already addressed the arguments related to the “sample size”, as featured in the “Official Notice”, as shown above.

Appellant submits that “As best understood, Lipsky tracks the performance of various advertising alternatives in one or more ad campaigns to determine their relative effectiveness via various measures. Lipsky, Abstract. While Lipsky updates the various alternatives, dynamically and automatically (see col. 2, 33-36), up to and including dropping all but the highest performing ad (see col. 7. lines 35-40), **Lipsky does not contemplate sampling the visitors to a website** for dynamic determination of an optimal promotion.”

While The Examiner admits that Lipsky does teach the above, as outlined by the Appellant, the Examiner agrees with the Appellant that Lipsky fails to teach a “**sample size of visitors**”. However, the Examiner does address that deficiency in the Office Action. Hence,

contrary to the Appellant's finding, combining the "Official Notice" material with the Lipsky's reference does indeed render the claimed invention obvious, as one of ordinary skills in the art would have concluded at the time of the invention.

### **1.2 Claim 8**

Appellant respectfully submits that "Robinson fails to teach or suggest "... wherein the determining step comprises: **when the optimal promotion is determined to lie between two tested promotions**, the optimal promotion is allowed to lie between the two tested promotions, **wherein** an interpolating function is utilized to automatically determine the optimal promotion displayed to the Internet merchant." Appellant respectfully submits that "Robinson does not teach or suggest the above quoted claim limitation because, inter alia, no **experimentation is being conducted so there are no "tested promotions", no optimal promotion is dynamically determined at all...**"

However, the Examiner completely and respectfully disagrees with the Appellant's conclusion. First, the claim elements, as herein presented, constitute at best a matter of desires or non-functional and non-descriptive material. Indeed, the optimal promotion is, in most cases, the promotion that provides the best result or that triggers the largest responses from the visitors. Here, selecting the optimal promotion (advertisement) based on any other criteria, as featured in the claim (claim 8), is definitely a matter of choice or desires that may vary from one merchant to another. Second, as best understood, the "wherein clause", recited in claim, represents an "Intended Use" recitation.

The above conclusion is well within the level of skills of an ordinary artisan. Moreover, it appears that this is the first time the Appellant has put forth any arguments regarding the way claim 8 is rejected.

In general, Lipsky discloses a system that displays ads (experiments or promotions) to users and monitors the ads performance by tracking the users' responses to the displayed ads and adjusting the ads variables or parameters (reallocating step) to increase the users' responses or the ads performance, thereby determining one or more higher-performing (optimal) ads, from the displayed or tested ads or promotions, that will be presented to users in the future (dynamically determining a higher performing or optimal ad or promotion, using real-time analysis, based on the performance of one or more ads or promotions presented to users-Col. 2: 62 to col. 3: 15).

Therefore, the Appellant's request for allowance or withdrawal of the last Office Action has been fully considered and respectfully denied in view of the foregoing response since the Appellant's arguments as herein presented are not convincing and thus, the Examiner's Action should be sustained.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

10/10/09

/Jean Janvier/  
Primary Examiner, Art Unit 3688

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**Conferees:**

James Myhre (3688 XP) /J. W. M./  
Primary Examiner, Art Unit 3688

Vincent Millin (3600 Appeal Specialist)